

SHAREHOLDERnews

August 2013

MESSAGE FROM THE PRESIDENT AND CEO



Dear Shareholders,

Our second quarter recently ended on June 30th and we are very pleased to report that your bank continues to perform very well by virtually every financial and asset quality measure. You'll read in the coming pages about our robust growth, strong return on assets, exceptional efficiency and continued strong asset quality which outperforms our industry peers.

At Bank First, we grow the bank one relationship at a time by providing customized deposit and loan solutions through personalized customer service. This philosophy has allowed us to continue growing the bank and delivering exceptional shareholder return. The largest component to our profitability is net-interest income, which is our interest income less our interest expense. Through the first six months of 2013, we were able to grow net-interest income before provision for loan losses to more than \$16.7 million, an increase of 3.6% from the prior year, despite the declining net-interest margins facing our entire industry.

Last December, our financial strength and profitability allowed us to pay a special dividend of \$0.44 per share, which doubled the total dividends you received in 2012 to \$0.88. Given the uncertain tax environment at the time, our Board of Directors felt it would be prudent to prepay our 2013 dividends through this special dividend. Historically, we have paid our regular common stock dividends in March, June, September and December. Although we review our dividend policy quarterly, based on our prepayment of your 2013 dividends, the next dividend payment to you would have been in March 2014.

As a result of our strong financial performance and solid capital foundation, I have recommended and our Board of Directors has approved an \$0.11 per share quarterly common stock dividend payable on October 4, 2013, for our shareholders of record on September 20, 2013. Going forward, our Board of Directors will review our common stock dividend policy quarterly for payment to our shareholders in January, April, July and October of each year rather than March, June, September and December.

Thank you for your continued support which is very much appreciated by our Board of Directors and our entire staff. As we have in the past, we will continue striving to provide you with an exceptional financial return on your investment in Bank First.

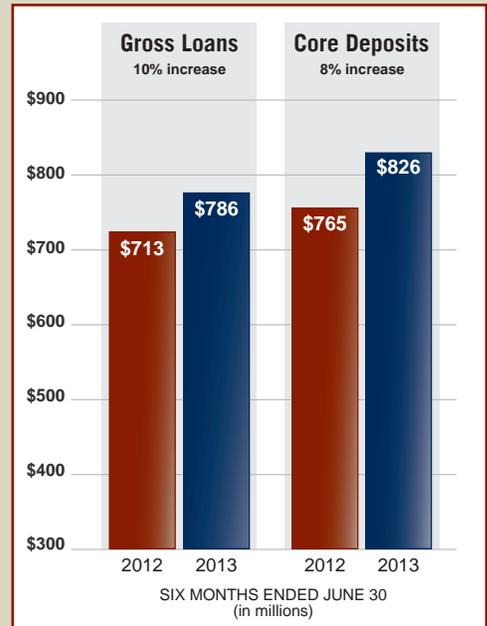
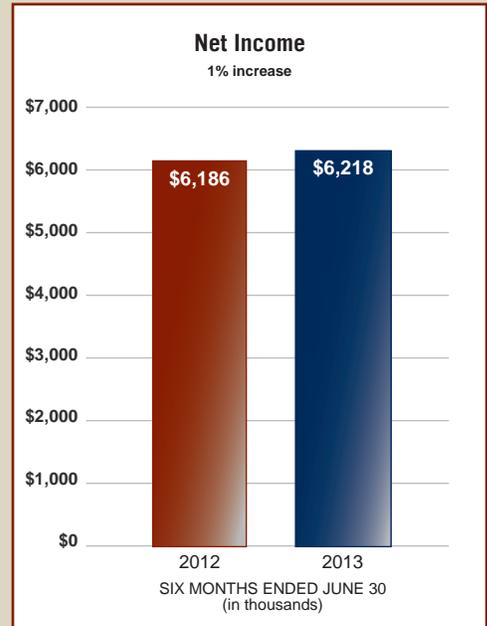
Sincerely,

Michael B. Molepske, President and CEO



First

Manitowoc Bancorp, Inc.



BANK FIRST LOCATIONS:

402 N. Eighth St., Manitowoc (920) 684-6611
2915 Custer St., Manitowoc (920) 683-5710
1509 Washington St., Two Rivers (920) 793-2274
106 Packer Dr., Francis Creek (920) 683-5700

109 S. Fourth Ave., St. Nazianz (920) 773-2101
110 Baugnet St., Mishicot (920) 755-4200
110 Fremont St., Kiel (920) 894-2215
2747 Manitowoc Rd., Bellevue (920) 469-0500

2323 Eastern Ave., Plymouth (920) 893-1611
2865 S. Ridge Rd., Ashwaubenon (920) 499-0500
2600 Kohler Memorial Dr., Sheboygan (920) 694-1900
101 City Center, Oshkosh (920) 237-5126



OTCQB: **BFNC**

www.BankFirstNational.com



First Maniwoc Bancorp, Inc. Financial Results for six months ended June 30, 2013

Total assets for the company increased by \$50 million to \$989 million at June 30, 2013, compared to \$939 million at June 30, 2012. Loans grew by 10 percent on a year-over-year basis, or \$73 million. Total loans net of the allowance are \$780 million and our loan growth is focused on selective, high quality relationships within our footprint. Our asset growth is funded from core deposit growth totaling \$62 million, or 8 percent, on a year-over-year basis. More importantly, our non-interest bearing deposits have increased by 18 percent, or \$27 million, from \$148 million at June 30, 2012, to \$175 million at June 30, 2013, and represent 21 percent of total deposits.

Our provision for loan losses was \$775,000, down from \$1.3 million a year ago. We are pleased to report continued strong asset quality trends in 2013. Our non-performing assets to total assets are 0.68 percent, down from 1.06 percent as of June 2012.

Net income for the six-months ended June 30, 2013, was \$6.218 million, or \$0.95 per share, an increase of 0.5 percent compared to the first six months of 2012 net income of \$6.186 million, or \$0.94 per share. Net interest income increased by nearly 4 percent during the first six months of 2013 to \$16.7 million.

We have achieved growth in net interest income despite declining margins. Net interest margin was 3.83 percent for the first six months of 2013, down from 3.95 percent in the prior year quarter.

Total non-interest income was \$4.1 million for the first six months of 2013, compared to \$4.3 million for the prior year period, a decrease of \$191,000. Gains on sales of mortgage loans were \$815,000, up 7% compared to \$762,000 in the prior year period. Although non-interest income was lower than last year, we anticipated that the strong results for 2012 would be difficult to replicate in 2013.

Non-interest expense increased by \$713,000, or 8 percent, to \$11.0 million for the six months ended June 30, 2013, compared to \$10.2 million in same period of 2012. Our full-time equivalent staff was 167 at June 30, 2013, down from 174 in the prior year period. The efficiency ratio was 51 percent at June 30, 2013, versus 49 percent for 2012. Our efficiency ratio has increased over the 2012 level due to an increase in operating expenses. We have invested in people, technology, and

2nd 6/30/13 quarter



LISA O'NEILL
Chief Financial Officer

infrastructure and have also recognized higher loan related costs as compared to the prior year.

Total shareholders' equity increased by 1 percent, or \$1.0 million, to \$99 million at June 30, 2013, as compared with \$98 million at June 30, 2012. In late 2012, we paid 2013 expected dividends as a special dividend. Our increase in equity takes into account the special dividend.

Return on average equity for the first six months of 2013 was 12.54 percent, down from 12.89 percent in 2012. Return on average assets was 1.26 percent in 2013, down from 1.33 percent in 2012. Our continued strong financial results are derived from our focus on building relationships, delivering high quality and innovative financial services, while maintaining a disciplined credit culture.

Introducing goBank Mobile Deposit

Now you can take a picture of a check and deposit it directly into your account from your smartphone, 24/7. Visit our Online Learning Center at www.BankFirstNational.com for a demo and more information.



Common Stock Cash Dividend

Note:

In addition to the special dividend received in December, the Board declared a quarterly cash dividend of \$0.11 per share. It will be payable on October 4, 2013, to shareholders of record on September 20, 2013.

We strongly recommend that you use the dividend direct deposit program. Please contact Bridget Bonde at our Eighth Street office, (920) 652-3222, for details.

We're going social!

Watch for us on Facebook in August. "Like" our page to view helpful information on everything from new products to our community involvement.



Receive our Shareholder Newsletter electronically.
It's easy to join our mailing list!

Just send your email address
by text message:

Text
BANKFIRSTNEWS
to **22828** to get started.



Or scan in this
code to sign
up:



Message and data rates may apply

Financial Performance

	<u>6/30/2013</u>	<u>6/30/2012</u>
	(In Thousands)	
ASSETS		
Cash, Cash Equivalents and Fed Funds Sold	\$ 29,487	\$ 32,148
Investment Securities at Fair Value	113,145	134,402
Other Investments at Cost	2,958	2,958
Loans, Net	779,719	704,882
Premises and Equipment	10,028	9,446
Other Assets	53,396	54,758
Total Assets	<u><u>\$ 988,733</u></u>	<u><u>\$ 938,594</u></u>
LIABILITIES		
Deposits	\$ 840,904	\$ 786,591
Securities Sold Under Repurchase Agreements	39,226	35,538
Borrowed Funds	-	10,000
Notes Payable	5,350	3,170
Other Liabilities	4,675	5,656
Total Liabilities	<u><u>\$ 890,155</u></u>	<u><u>\$ 840,955</u></u>
Total Shareholder Equity	<u><u>98,578</u></u>	<u><u>97,639</u></u>
Total Liabilities and Shareholder Equity	<u><u>\$ 988,733</u></u>	<u><u>\$ 938,594</u></u>



**Consolidated
Statements
of Financial
Condition**

	<u>6/30/2013</u>	<u>6/30/2012</u>
	(In Thousands, Except Share Data)	
Consolidated Statements of Income		
Total Interest Income	\$ 19,107	\$ 19,117
Total Interest Expense	2,444	3,032
Net Interest Income	16,663	16,085
Provision for Loan Losses	775	1,300
Net Interest Income After Provision for Loan Losses	15,888	14,785
Total Other Income	4,113	4,304
Total Operating Expenses	10,950	10,237
Income Before Provision for Income Taxes	9,051	8,852
Provision for Income Taxes	2,833	2,666
Net Income	<u><u>\$ 6,218</u></u>	<u><u>\$ 6,186</u></u>
Earnings Per Share: Basic and Diluted	<u><u>\$ 0.95</u></u>	<u><u>\$ 0.94</u></u>

	<u>6/30/2013</u>	<u>6/30/2012</u>
YTD Return on Average Assets	1.26%	1.33%
YTD Return on Average Equity	12.54%	12.89%
Average Assets per Average Full Time Equivalent	\$ 5,929,000	\$ 5,460,000
Net Interest Margin (YTD)	3.83%	3.95%
Full Time Equivalent - period end	167	174
Dividend Payout Ratio	0%	23%
Dividends Per Share (YTD)	\$ -	\$ 0.22



**Key Financial
Metrics**



Office Spotlight:

Sheboygan

Bank First National opened its doors in Sheboygan in February of 2008. Located at 2600 Kohler Memorial Drive, this office employs 17 individuals and has \$15.8 million in average assets per employee.

Led by Jason Krepline, Regional President and Senior Loan Officer, the Sheboygan office leads the company in loans, which totaled \$264.3 million as of June 30, 2013. This represents an 8 percent increase over last year's second quarter period. Deposits increased year-over-year by 7 percent from \$102.8 million to \$110.4 million.

OFFICE HOURS:

Monday-Thursday 8:00 am to 5:00 pm
Friday 8:00 am to 6:00 pm
Saturday 8:00 am to 12:00 pm



Front row, left to right: Craig Mazza, Stacey Tennesen, Laura Lederer, Tammy Woznick-Schramm, Lindsey Twiss, Mandi Pfeifer. Second row: Mike Strege, Denise Goebel, Missy Blindauer, Emily Wodach, Kris Mentink, Jennifer Pennell, Jason Krepline. Back row: David La Duke, Brandon Suemnicht, Rich Balge. Not pictured: Julie Lang.

SHEBOYGAN OFFICE

As of June 30, 2013
(in millions)

LOANS

8% increase



DEPOSITS

7% increase



Quarterly news

Bank First data processing subsidiary announces expansion

JULY 10, 2013 - Bank First National (OTCQB:BFNC) announces that its co-owned data processing and e-banking services subsidiary has completed an acquisition on June 28, 2013, of another core data processing provider. United Financial Services, Inc. ("UFS") has acquired Missouri Valley Technologies ("MVT"), a St. Louis, Missouri, based data processing company.

UFS, headquartered in Grafton, Wisconsin, provides data processing services to 43 Wisconsin community banks prior to the acquisition. MVT provides services to 13 community banks located in Missouri,

Kansas, Illinois, and Arkansas. Combined, the company will support nearly 14 billion in assets, over 1 million accounts, and 56 community bank customers. UFS President and CEO Michael Tenpas said, "As the technology changes and becomes more complex it is critical for UFS to scale the business in a way that allows us to spread the costs of this complexity across a larger number of customers, this acquisition allows us to accomplish that."

"This strategic acquisition strengthens the capabilities of UFS even more. With their knowledge and expertise, they administer the technical side of banking so com-

munity banks can focus on the business of serving their customers," stated Mike Molepske, President and CEO at Bank First. "Customers of UFS fully understand and appreciate the value of the services UFS provides."

Bank First co-owns the company along with Baylake Bank and UFS President/CEO Michael Tenpas.

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Maniwoc Bancorp, Inc.

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